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We respectfully submit the following comments on the proposed revisions to the Federal Credit Union Bylaws.

1. Article II, Sections 3 and 4 seem to be inconsistent, or at least could be made more clear. Section 3 says a member who fails to maintain his par value share, after a cure period, ceases to be a member. This implies that a member no longer would have voting rights without any further action of the credit union. Section 4 says a member remains a member until he withdraws from membership or is expelled under Article XIV. This implies that a member would continue to have voting rights unless he affirmatively closes his account or the credit union goes through the unusual and cumbersome procedure of expulsion. It is unclear what constitutes withdrawal – what happens in the absence of written notice from the members? Additionally, what happens when members (via a joint account) fall below joint minimums (two times par value) in a joint account? It would be helpful to credit unions to clarify these situations.

2. Article III, Section 3 seems to be inconsistent with the plain language of Article II, Section 3. Article III, Section 3 reads, in relevant part, “a member who reduces the share balance below the par value of one share and does not increase the balance to at least the par value of one share within _____ of the reduction may be terminated from membership.” (Emphasis added). Article II, Section 3 says “A member who withdraws all shareholdings or fails to comply with the time requirements for restoring his or her account balance to par value in Article III, Section 3, ceases to be a member.” (Emphasis added). Article II is mandatory, Article III is discretionary. This is confusing in determining membership.

3. Article IV, Section 3. We suggest using a maximum percentage of members rather than an absolute number for purposes of determining the maximum number of member signatures required to call a special meeting. This would be consistent with your rationale for increasing the limit. In credit unions of \$750 million in assets or greater, 750 members represents an insignificant percentage of the members and could result in unnecessary and ineffective disruption and expense.

4. Article IV, Section 4. We note in your proposal the emphasis on the ability of members to make a motion during a membership meeting as fundamental to membership rights. Motions raised at an annual meeting of members that pertain to the business of the meeting, of course, must be heard. Motions at an annual meeting that do not pertain to the business of the meeting, under Roberts Rules of Order, are not allowed to be heard, except as new business, and are precatory in nature. Motions at a special meeting of members, however, are very different, as the bylaws require that members receive prior notice of the purpose of a special meeting and state specifically that no business other than that related to this purpose may be transacted at the

meeting. See Article IV, Section 2. Consequently, we believe it is important to distinguish between an annual and a special meeting in determining whether a motion may be heard. This is consistent with the requirements of all parliamentary procedures, including Roberts Rules of Order.

5. Article IV, Section 5 states that if a special meeting is adjourned for lack of a 15 person quorum, written notice must be given to all members at least 5 days before the date of the reconvened meeting. This would be a practical impossibility given that the adjournment may be for a period not longer than 14 days from the date of the originally scheduled meeting. We note that it is not very likely that a special meeting will fail to attract a 15 person quorum if a few employees are in attendance.

6. Article VI, Section 4. Vacancies on the Board must be filled no later than the next regularly scheduled Board meeting. We feel this is an unnecessarily short time period to identify and recruit well qualified candidates who are willing to serve. We suggest 90 to 120 days as a more reasonable time period.

7. Article IX, Section 5 states that the supervisory committee may suspend a Board member, Board officer or member of the credit committee until the next meeting of members. The supervisory committee is then required to call a special meeting of members to act on the suspension within 7-14 days following the suspension. This seems contrary to the requirements of Article IV, Sections 3 and 2, which state that written notice to members must be given at least 30 days prior to any special meeting of members.

8. Nowhere do the bylaws address the issue of who is a member eligible to vote, as opposed to who is a member, other than the age requirement in Article V, Section 7. A member without a minimum share balance or a member who has caused a loss to the credit union, as two examples, are not addressed. We believe it would be helpful to address these issues in the bylaws to provide better certainty and consistency among federal credit unions in determining who is a member eligible to vote at an annual or special meeting.

Thank you for the opportunity to provide comments on these issues.